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USAID IRAQ ADMINISTRATIVE REFORM PROJECT

MONTHLY PROGRESS REPORT - JULY 2013

2 AUGUST 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Management Systems International.

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Contracted: AID-267-C-11-00005

Iraq Administrative Reform Project



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TABLE OF CONTENTS

Table of Contents.....	2
List of Acronyms	3
Executive Summary	5
NATIONAL POLICY MANAGEMENT (NPM)	7
2.1 Regulatory Reform	7
2.2 Office of Policy Development in PMO	7
2.2.1 Offices of Policy Development in the Ministries.....	8
2.3 Office of Policy Development in President of the Republic's Diwan	9
2.4 Policy Communication and Outreach.....	10
ADMINISTRATIVE DECENTRALIZATION (AD).....	11
3.1 AD Component Wide.....	11
3.2 Planning Advisory Unit	11
3.3 Administrative Decentralization Support.....	11
3.4 Project Management Advisory Unit	11
3.5 Procurement Advisory Unit.....	12
3.6 Service Center Advisory Unit.....	12
3.7 Iraq Development Management System.....	12
3.8 Center of Excellence Unit	13
3.9 Education Capacity-Building Initiative	13
PROJECT ADMINISTRATION	14

LIST OF ACRONYMS

AD	Administrative Decentralization Component
BPA	Business Process Analysis
BPP	Bureau of Public Policy (Presidency)
CBO	Capacity Building Office (USAID)
CoM	Council of Ministers
COMSEC	Council of Ministers' Secretariat
CoI	Commission of Integrity
COR	Contracting Officer's Representative/USAID
CoR	Council of Representatives
CoS	Chief of Staff
COSQC	Central Organization for Standardization and Quality Control
DfID	Department for International Development (UK)
DG	Director General
DPMO	Deputy Prime Minister Office
ECBI	Education Capacity Building Initiative
GO	Governor's Office
GZ	Green Zone (See IZ)
GoI	Government of Iraq
GSP	Governance Strengthening Project (USAID)
HR	Human Resources
HRD	Human Resources Division
IDMS	Iraq Development Management System
INMS	Iraqi National Monitoring System
ISRAR	Iraq Solutions for Regulatory and Administrative Reform
IZ	International Zone (See GZ)
MoA	Ministry of Agriculture
MoC	Ministry of Communications
MoCH	Ministry of Construction & Housing
MoCu	Ministry of Culture
MoD	Ministry of Defense
MoE	Ministry of Electricity
MoEd	Ministry of Education
MoEn	Ministry of Environment
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoH	Ministry of Health
MoHE	Ministry of Higher Education
MoHR	Ministry of Human Rights
Mol	Ministry of Interior
MoIM	Ministry of Industry & Minerals
MoJ	Ministry of Justice
MoLSA	Ministry of Labor & Social Affairs
MoMD	Ministry of Migration & Displaced
MoMPW	Ministry of Municipalities & Public Works
MoO	Ministry of Oil
MoP	Ministry of Planning
MoSPA	Ministry of State for Provincial Affairs
MoSWA	Ministry of State for Women's Affairs

MoST	Ministry of Science & Technology
MoT	Ministry of Trade
MoTA	Ministry of Tourism & Antiquities
MoTr	Ministry of Transport
MoU	Memorandum of Understanding
MoWR	Ministry of Water Resources
MoYS	Ministry of Youth & Sport
MSI	Management Systems International
NCCIT	National Center for Consultancy and Information Technology
NDP	National Development Plan
NGO	Non-government Organization
NIC	National Investment Commission
NPM	National Policy Management Component
OD	Organizational Development
OPD	Office of Policy Development (Prime Minister's Office)
PAR	Public Administrative Reform Committee (See PSM)
PC	Provincial Council
PM	Prime Minister
PMI	Project Management Institute
PMAC	Prime Minister's Advisory Council
PMO	Prime Minister's Office
PSM	Public Sector Management Committee (See PAR)
RFP	Request for Proposal
RG	Regulatory Guillotine™
SAB	Supreme Audit Board
SES	Senior Executive Service
SIDA	Swedish International Development Agency
SoW	Scope of Work
SOP	Standard Operating Procedures
T&D	Training and Development
TA	Technical Assistance
ToR	Terms of Reference
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USG	United States Government
WB	World Bank

This report summarizes project activities and accomplishments under the Iraq Administrative Reform Project (USAID-*Tarabot*¹) for July 1 - 31, 2013. The Monthly Report for June is due on August 2, 2013.

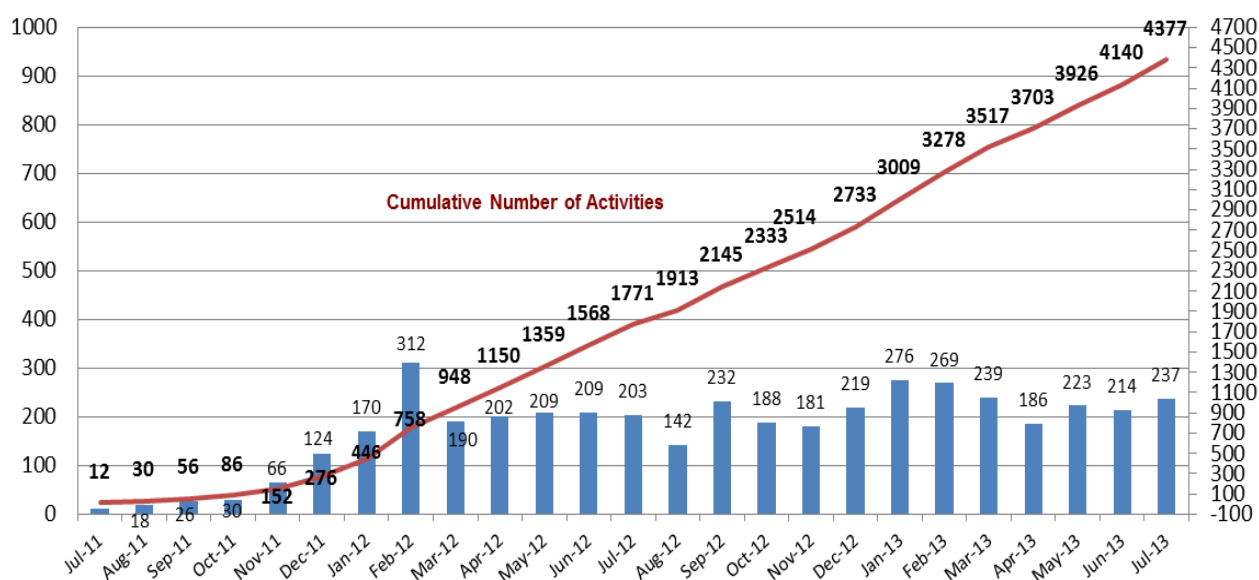
EXECUTIVE SUMMARY

- **One-Stop Registration.** The Ministry of Trade, in cooperation with the Federation of Chambers of Commerce, is set to launch a one-stop-shop in its company registration office. It will enable businesses to reserve a company trading name at the same location that they file for company registration. Currently, three trips are required, to offices in different locations, to register a company. This reform will do it all under one roof, in just a few minutes, instead of four days! An online database, completed by *Tarabot*, will be used to verify if a trade name is taken. Companies will realize substantial cost savings and will be able start a business sooner due to the new system.
- **Salah ad Din Adopts Procurement Archiving System.** After years of managing procurements through complex, paper-based systems, and hard copy storage, the Salah ad Din Governor's office has officially adopted the *Tarabot*-designed archiving system.
- **Babil Passes Decentralization Bylaw.** A bylaw, which delegates more powers from the central government to the provinces was approved by the Provincial Council. The bylaw contains five recommendations from *Tarabot*. The council asked *Tarabot* to review the existing bylaws, and help incorporate the principles of decentralization into new ones.
- **New Center of Excellence Team Formed.** *Tarabot*'s Center of Excellence team represents a consolidation of the Administrative Decentralization component's Quality Management, Organizational Development, and Process Development Advisory Unit. This restructuring brings together a number of related skill-sets that will help establish the Center of Excellence. They will work with the Ministries of Migration and Displacement, Education, Higher Education, and Labor and Social Affairs to implement many of the practices that will form the Center for Excellence.
- **Program to Bring 400 Academics from Abroad.** The Minister of Higher Education announced the program to bring Iraqi professors living abroad to return and help build a new generation of professionals. The move followed the Minister's participation in a series of debates on "Brain Gain", the return of qualified nationals from abroad by advisers from the President's Office Policy Bureau. *Tarabot* helped establish the bureau, and continues to mentor the advisers.
- **Public Policy Curriculum Course Begins.** *Tarabot* and the Ministry of Higher Education launched the course for political science professors from Baghdad universities. The two-week training program will cover policy tenets like the policy making cycle and writing policy papers. The goal is to produce a new generation of policy makers to help direct the development of the nation.
- **Policy Debates on Budget Execution and University Admissions.** Ms. Afaf, a policy advisor from the Prime Minister's Office of Policy Development (OPD) recommended that budget monitoring be transferred from the Ministry of Planning to an independent office in the Prime Minister's office with the authority to sanction underspent ministries. Dr. Tariq Ali Jasim, an education advisor from OPD, argued that university admissions lack a transparent and fair application system. He proposed that the Ministry of Higher Education give greater autonomy to local universities in the selection of students, using entrance exams, GPA, and interviews.

¹ For brevity and convenience the Administrative Reform Project is referred to in the text by its Arabic name, *Tarabot*, meaning "Linkage".

Events: USAID-Tarabot conducted a variety of activities in July. The following description accounts for the numbers and types of events delivered.

- **Total Events:** USAID-Tarabot teams held **237** events (workshops and formal meetings) in July.
- **Locations:** **129** of these events were held in Baghdad, while **108** were delivered on location in **15** provinces.
- **Type of Event:** **220** events were formal assessment meetings, action planning, or implementation workshops. **17** events were introductory meetings.
- **Institutions:** **154** of these events were held with **25** ministries; **62** events supported the Governors' Offices; **9** events were directly with the executive offices; **2** events with NGOs and the private sector, **3** events with a Provincial Council; and **7** events were attended by a mix of entities specified above.
- **Tarabot Components:** **56** events were held by the National Policy Management component, **180** by the Administrative Decentralization component, and **1** by the Education Capacity team.



NATIONAL POLICY MANAGEMENT (NPM)

2.1 Regulatory Reform

The Iraq Solutions for Regulatory and Administrative Reform (ISRAR) initiative continues to make significant progress in implementing reforms to company registration procedures. Based on ISRAR recommendations, the Ministry of Trade and the Chamber of Commerce have opened a One-Stop-Shop that saves business persons from having to travel to three offices to register a business. ISRAR has also helped reduced the waiting period for reserving a company name from about 4 days to a few minutes by helping the Chamber of Commerce set up an online database for managing their records across 15 provinces.

ISRAR helped 25 ministries establish reform units for conducting internal reviews of regulations. Over the last month, NPM advisors have helped the units identify over 3,000 regulations to review. 700 of these regulations have been uploaded to an online database in order to facilitate the review process.

Following several months of collaboration with staff from the Ministry of Municipalities and Public Works (MoMPW) and Baghdad Mayor's Office, ISRAR has drafted a ministerial order designed to facilitate the implementation of construction permit reforms. The ministry order was delivered to the Prime Minister's Advisory Council (PMAC) for approval.

In a meeting on cost-share funding, the Chairman of PMAC agreed to submit ISRAR's cost-share budget request to the Partnership Committee for review, a total of \$3.5 million dollars. Cost-share funds will be used to hire staff, provide technical assistance to ministry reform units, conduct public outreach, and support regulatory reviews conducted by the private sector. The Head of PMAC also agreed to facilitate discussions with the Ministry of Trade in order to build support for implementing reforms to import and export procedures. The Chairman asked ISRAR to provide him with a white paper to explain the context, issues, and challenges of the reform.

2.2 Office of Policy Development in PMO

NPM briefed the Chief of Staff of the Prime Minister about the two policies the Advisors in the Office of Policy Development (OPD) debated in July.

In the presence of thirty three senior level officials and businessmen, Dr. Tariq Ali Jasim, education advisor in the Prime Minister Office of Policy Development, argued for a new policy procedure in university admission. The current requirements are antiquated, centralized in the Ministry of Higher Education, and open to abuse. Dr. Tariq proposed that the Ministry of Higher Education give greater autonomy to local universities in the selection and admission of students and their choice of career. As such he called for an entrance exam, applicant interviews, GPA requirements, and ensuring applicants meet the needs of employees. Dr. Tariq stated, "admission to university is not the right of every Iraqi. Admission should be based on strict criteria as it is done in the UK, USA, China, Russia and many Arab countries." The President of Al-Nahrain University and the President of the Technical Foundation

agreed with Dr. Tariq's policy paper, as did the President of the Syndicate of Businessmen and the President of the Federation of Industries.

Afaf Waeli, from the Office of Deputy Prime Minister, and advisor at the Prime Minister Office of Policy



Investment Budget Policy Debate

Development, presented her policy paper on "Monitoring the Implementation of the Investment Budget". Ms. Afaf contended that the current laws and procedures of the Ministry of Planning, which has final oversight of the investment budget are weak, resulting in under spending of the investment budget. She recommended that the function of monitoring and follow-up be moved from the Ministry of Planning to a new office in the Prime Minister's Office. The new governmental entity would then be administratively and legally independent, and have the authority to sanction ministries that fail to spend their allotted budget for

investment projects. Ms. Waeli referenced the American model of the White House Office of Management and Budget (OMB) as an illustration that the function of the budget should belong to the highest political office and not a ministry.

Participants at the debate included officials from the Prime Minister's Office of Policy Development, the Deputy Prime Minister's Office for Economic Affairs, the Ministries of Planning, Water Resources, Agriculture, Municipalities, Finance, and Provincial Affairs.

2.2.1 Offices of Policy Development in the Ministries

Socially-Oriented Ministries. The NPM Team rolled out the technical training in strategic planning for the newly-established policy units in the Ministries of Environment, Human Rights, Migration/Displacement, and Labor and Social Affairs. Next month, participants will learn to perform a SWOT analysis, as well as implementation, monitoring, and evaluation.

At the request of the Ministers or Deputy Ministers of Environment, Human Rights, Labor and Social Affairs, and Migration and Displacement, NPM delivered a series of workshops for their additional staff on policy making process. The presentations were on Public Policy in the Constitution and about the policy cycle, including identifying problems, consultation, and political mapping.

Advisers finalized the establishment of the public policy link within the organizational structures of the Ministries of Environment, Human Rights, and Migration and Displacement. As a key step to the sustainability of policy activities in the ministries, they designed a website that will contain policy papers and other relevant



Showing Human Rights Ministry their new policy website

documents. This will allow officials and the public access to ministry activities and resources.

Economic Ministries. The NPM team held five workshops for the policy units of Ministries of Electricity (MoE), Industry and Minerals (MoIM), and Trade (MoT) on conducting an impact assessment of policy proposals developed with NPM assistance. Assessment methodologies were developed, tailored to the focus areas and policy instruments of each policy. Cost and benefit categories were identified. The proposed policies' economic and social effects will be assessed through their impacts on stakeholders.



Impact assessment workshop with MoE

NPM advisors continued to assist the Ministry of Industry and Minerals' policy unit in designing an industrial policy program, the Iraqi Revival Program for Industrialization (IRPI). The following program inception documents were produced: risk mitigation strategy, guidelines for managing small grants scheme for private enterprises, and a business model for establishing small-medium enterprise support centers.

NPM team met Hashim Al-Sudani, DG for Foreign Economic Relations to discuss the development of the ministry's policy unit, the timeline of technical assistance, the necessity to develop a policy web-link on the Ministry's website, the benefits of policy consultation, and the usefulness of roundtable policy discussions.

2.3 Office of Policy Development in President of the Republic's Diwan

Presidency advisors held a debate on their policy paper on brain gain. The policy encourages the return of Iraqi academics living abroad, to teach or administer at local universities.

The Presidency Diwan began to develop a paper on street children, with a focus on orphans who are homeless. Advisors of the presidency discussed national statistics on street children, current laws and regulations, and existing research undertaken by academics, NGOs, think-tanks, and international organizations. The team listed the constitutional articles 29 (1) (B), (3), (4); and 30 (1), (2) as basis for developing a national policy on homelessness and orphans.



Homeless Persons Department Head meets Presidency Advisors

In order to make the policy evidence-based, NPM invited the Ministry of Human Rights, Ministry of Labor and Social Affairs and two Civil Societies to share with the Presidency advisors their work with the homeless orphans. The participants identified poverty as the main cause of homeless orphans. The Iran-Iraq War, the invasion of Kuwait, and the violence of the past decade produced a large number of orphans. The policy advisors cited many contributing factors to the rise of homeless orphans, such as inadequate social services, an ineffective legal system to implement existing homeless laws, a lack of political will, and inefficiencies in the Ministry of Labor and Social

Affairs. Crucially, the national budget and the mandates of the Ministry of Labor and Social Affairs and Ministry of Human Rights do not specifically address homeless orphans.

2.4 Policy Communication and Outreach

Following a conference to encourage universities to adopt public policy curriculum in May, USAID-Tarabot, Al-Nahrain University, and the Ministry of Higher Education announced that they will deliver training courses in July and August for university professors to develop faculty skills to teach public policy.

In cooperation with Ministry of Higher Education, NPM launched its first session on Faculty Development in Public Policy for political science professors from Baghdad universities. Over ten days and fifty hours of instruction will be delivered on topics including the interdisciplinary nature of Public Policy, Public Policy in the Constitution, Process, and writing policy papers.

A sixth NPM-led policy roundtable on consultation and outreach was held for 118 officials from the government and private sector at the National Center for Human Rights. The event focused on strengthening lines of communications between policy stakeholders, including civil society organizations, universities, businesses, parliament, the public, and the media. The Deputy Minister of Human Rights, Dr. Abdulkarim Abdullah Shalal, chaired the conference and advisors from the Prime Minister's Office of Policy Development and the Presidency's Public Policy Bureau spoke about their strategies for building relationships.



Policy Roundtable

The NPM team provided four workshops training program on media strategies for the media offices of the Executive Offices and Ministries. Participants representing Prime Minister's Advisory Council, Ministry of Electricity, Ministry of Environment, Ministry of Migration, Ministry of Human Rights and Ministry of Labor and Social Affairs were introduced to new technology, and case studies to introduce media officers to their role in policy process.

NPM provided technical assistance to four civil society organizations in Babil and Karbala. The team met Sadiq Hashim Al-Faihan, President of the Babil Chamber of Commerce, Dr. Mahdi Al-Jobouri, Associate Dean of the College of Management and Economics, Dr. Emad Mohammed Hussein Al-Adeeb, Director of the Center for Strategic Studies at University of Karbala and Murad Al Bakry, Director of the Media Department in the Babil Provincial Council to help them build their capacity in policy development.

ADMINISTRATIVE DECENTRALIZATION (AD)

3.1 AD Component Wide

USAID-*Tarabot* has opened an office in the Kurdistan Regional Government (KRG) for up to 22 employees and plans to begin work on project management, procurement, quality management, establishing excellence centers, and service center activities for the government soon.

3.2 Planning Advisory Unit

As part of its initiative aimed at building planning capacity at the provincial level, USAID-*Tarabot* held a series of meetings in Basrah with nine directorates from the Ministries of Municipalities and Public Works, Health, Agriculture, Education, and Electricity. Planning advisors presented on-the-job training plans for the province's projects steering committee, and a timeline for the adoption and application of their suggested project planning and selection criteria. The timeline was linked to the 2014 federal budget process, as well as the assembly of the Basrah Provincial Projects List 2014.



Planning meeting

3.3 Administrative Decentralization Support

USAID-*Tarabot*'s efforts to assist government entities to implement decentralization continues to garner promising results. A bylaw delegating powers from the central government to the provinces was approved. It contained five recommendations from USAID-*Tarabot*. The newly-elected Provincial Council in Babil asked USAID-*Tarabot* to review existing bylaws, and help incorporate the principles of decentralization.

Several entities in Babil and Wasit requested additional assistance from USAID-*Tarabot* to support decentralization. In Babil, the Education Directorate requested an additional three workshops to capitalize on progress, and plan the next steps for further decentralization of functions. Earlier this year, the Ministry of Education delegated the authorities to manage the construction of schools in Babil to the Governor's office. In Wasit, the Ministry of Municipalities and Public Works' Municipalities Directorate asked for similar assistance. The Wasit Governor's Office agreed to request that the management of ministry projects valued at less than 10 billion be transferred to the provinces, following a meeting with USAID-*Tarabot* on activating article 13 from the 2013 Federal Budget Law.

3.4 Project Management Advisory Unit

USAID-*Tarabot* continued its efforts to enhance the project management capacity of ministry counterparts and strengthen their project management systems. USAID-*Tarabot* advisors administered a practice test for Ministry of Oil staff (MoO) scheduled to take the Project Management Professionals

(PMP) exam in August. The ministry requested the test in order to evaluate the staff on Project Management Implementation methodology. The MoO has committed over US\$63,000 from government cost share funds to enable 17 of its engineers and project managers to become PMP certified through AMIDEAST.

The Ministry of Construction and Housing (MoCH) has selected projects to serve as pilots for the USAID-Tarabot project management systems. The most notable is the US\$8 million Baghdad lab project, due to be completed in 2016. This lab will test construction materials and techniques, which will ensure higher quality construction projects. USAID-Tarabot is assisting MoCH engineers to meet a diverse range of requirements for this facility, including to employ standardized documents. Standard documents will create a process that can be monitored and improved, allowing for easier planning.



Pilot project meeting in Kirkuk

3.5 Procurement Advisory Unit

The Salah ad Din Governor's office officially adopted the Procurement Document Archiving System designed by USAID-Tarabot, bringing to an end years of reliance upon a complicated paper-based system.



Procurement workshop

3.6 Service Center Advisory Unit

USAID-Tarabot continued to engage with various ministries in support of the establishment of One-Stop-Shops with the goal of improving the facilities and systems of key public services. USAID-Tarabot worked with several municipalities directorates from the Ministry of Municipalities and Public Works (MoMPW) to assess service facilities, and provide technical assistance to ensure they comply with international standards. USAID-Tarabot formally handed over the design for the One-Stop-Shop to the MoMPW, the first recipient of the design. The MoMPW also recently solicited expressions of interest for the design of One-Stop-Shop software.



MoMPW receives One-Stop-Shop design

Additionally, USAID-Tarabot completed an assessment report for the Baghdad Oil Products Distribution Company Service Center, and conducted a site visit to the Ministry of Justice's Notary Public Office in Al Baya'a in preparation for the design of a One-Stop-Shop service center. Additionally, USAID-Tarabot advisors completed the draft standard operating procedures and services guideline manual for a One-Stop-Shop in the Ministry of Migration and Displacement (MoMD).

3.7 Iraq Development Management System

USAID-Tarabot asked decision makers from the Steering Committee of the Ministry of Labor and Social Affairs (MoLSA) to take action on a series of administrative bottle-necks which have impeded IDMS implementation. Irregular internet connectivity was cited as the principle issue. A dedicated internet connection for the ministry's IDMS unit was recommended.

3.8 Center of Excellence Unit

USAID-Tarabot's Center of Excellence team represents a consolidation of the Administrative Decentralization component's Quality Management, Organizational Development, and Process Development Advisory Unit. This restructuring brings together a number of related skill-sets that will help achieve the goals of the Center of Excellence.

Progress on Establishing the Center of Excellence. USAID-Tarabot met with the Ministry of Migration and Displaced (MoMD), the Ministry of Education (MoE), the Ministry of Labor and Social Affairs (MoLSA), and the Ministry of Higher Education (MoHE) to discuss their roles in the development of a Center for Excellence. The ministries expressed their support to establish the center. Next month, the Prime Minister's Advisory Commission (PMAC) and Council of Ministers' Secretariat (COMSEC) will determine the steps necessary for establishing the center.

Progress to Implement Excellence Center Plans. USAID-Tarabot advisors continued to work with the Ministry of Health's Al-Kadhimiya Hospital Quality Team. The hospital is developing quality documentation and quality procedures, which will serve as one of the prerequisites for eligibility for an excellence award from the Center for Excellence.

The USAID-Tarabot team continues to work with the Council of Minister's Secretariat (COMSEC) to devise a quality management system tailored to its needs and in compliance with ISO standards.

USAID-Tarabot met with representatives from the Ministry of Oil's State Company for Oil Projects to approve a work plan. Staff members from the state company were nominated to join a quality team to carry out internal audits, and achieve ISO standard certification.

3.9 Education Capacity-Building Initiative

The Education Capacity Building Initiative was asked by the Ministry of Education to slow down activities until after Ramadan.

The ECBI team followed up with training participants and worked on a new curriculum for the IT team. The team surveyed past participants and IT managers from the Ministry of Education and found many participants wanted training on Microsoft Access. An MS Access course will be developed to help the ministry create databases on a server that can be shared and updated across several departments and reports, decreasing human-error and processing times.

PROJECT ADMINISTRATION

Staffing and Deployment: The project has a staff of 24 expatriate and 252 local personnel, as of July 31, 2013.

Security, Facilities: In July, the Bank of Baghdad moved closer to opening a branch on the Mansour compound. The bank received authorization to move a safe on the compound, but is having difficulty connected their systems to the network. The project plans to pay staff salaries through direct deposit or debit cards in August.

New accommodations in Erbil were completed, and MSI successfully registered with the Kurdistan Regional Government. USAID-Tarabot personnel moved into their office villa and living space to begin technical assistance.